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C O N F I D E N T I A L KATHMANDU 002590

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SUBJECT: FAR-WESTERN NEPAL: IN TROUBLE, BUT NOT HOPELESS

REF: KATHMANDU 2491

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

¶1. (SBU) During a trip to the far-western region of Nepal September 12-15, Ambassador Moriarty met with government and military officials, business and political leaders, human rights organizations, and USAID project partners to gauge the situation on the ground and the impact of U.S. assistance provided to the region. Visits to Dipayal, Darchula, Mahendranagar, and Nepalgunj reinforced the notion that Nepal is a country of 75 different districts, 75 different insurgencies, and 75 different ceasefires. Visits to division and battalion Nepal Army (NA) headquarters provided insight into the activities of the Maoists and the NA's preparedness. Meetings and site visits with USAID project partners highlighted the effective cooperation between multiple NGOs and INGOs to deliver economic development assistance and other support to underprivileged populations and those most affected by the Maoist insurgency and recent floods. The Ambassador returned from the trip a little more optimistic that Nepal could someday be peaceful, prosperous and democratic.

Maoists in Dipayal

¶2. (C) The Ambassador visited the NA's Far Western Division Headquarters in Dipayal, in the hilly Doti District. Division Commander Major General Khadka estimated that Maoist numbers were down by roughly fifty percent in the past six months within his region, which includes the Seti and Mahakali Zones. Maoists are, however recruiting and training in the region. Khadka speculated that the numbers were down due to both desertions and a shift of combatants to the Kathmandu area. In addition, Khadka explained that local officials were unwilling to confront the Maoists for fear that the Maoists would break the ceasefire and local officials would be held responsible.

Maoists in Darchula

¶3. (C) Major Dipesh Shah, NA Company Commander in Darchula District, explained that there was no real Maoist problem

there due to inhospitable terrain and limited escape routes. Political parties there indicated they were worried about the Maoists on a broader scale, but not specifically in the local area.

Maoists in Mahendranagar

14. (C) Govinda Khanal, Chief District Officer (CDO) in Mahendranagar, Kanchanpur District, told the Ambassador that the GON in Kathmandu had issued directions that local officials were to begin cracking down on illegal Maoist activities, such as extortion. Khanal and other local government officials were concerned about following this order because of the potential Maoist reaction. They predicted that a violent confrontation with the Maoists was likely if they attempted to follow the GON's instructions. Local politicians lamented that the Maoists had previously had little presence in Mahendranagar but were now terrorizing the city.

Maoists in Nepalgunj

15. (SBU) While killings and Maoist violence have decreased, extortion has risen substantially in Nepalgunj. However, residents there, who had been experiencing daily bomb blasts before the ceasefire, felt a little room to breath without a constant threat of physical harm. In Nepalgunj, Maoists were collecting "customs" taxes.

Maoists Force Ambassador to Cancel University Visit

16. (C) The Maoists were able to directly affect the Ambassador's visit. On September 14, Sitaram Bista, Chief of Tribhuvan University's Mahendra campus in Nepalgunj, requested that the Ambassador not make his scheduled visit to the campus library. Bista explained that Maoists had closed the university, locked him in his office, and told him he could not receive the Ambassador. Journalists later said that Maoists were present, but that it was other students, not Maoist students, who had detained Bista. The Maoists denied responsibility for locking up Bista, but claimed they were present on the campus to prevent the Ambassador from visiting the library.

Nepal Army Confident

17. (C) Maj. Gen. Khadka mentioned that, overall, the NA in the Far West was not in bad shape. Each of the military commanders expressed appreciation for military training provided by the U.S. NA Rangers who received Joint Combined Education and Training (JCET) from the U.S. Army Special Forces had formed Mobile Training Teams that in turn trained soldiers in each of these far-western units. In Mahendranagar, 25th Brigade Commander Brigadier General Ghale thought his brigade had enough resources, but was concerned about ammunition levels. The brigade was particularly proud of its unit patch, which featured an M-16. In Darchula, Maj. Shah indicated that, unlike the rest of the NA, the Darchula detachment, a company, had not expanded in recent years.

Situation of Armed Police Force

18. (C) Throughout the Far West, the Armed Police Force (APF) have been limited to district headquarters. The Maoists have not allowed additional APF posts to open, and have threatened to break the ceasefire if more posts were opened. Officials are not willing to accept responsibility for opening posts and causing an end to the ceasefire. Officials in Mahendranagar indicated that the Maoists there interpreted the Ceasefire Code of Conduct to say that the APF was also required to stay in barracks like the NA, and government officials hesitated to contradict them.

More Government and Party Presence Needed

¶9. (C) Maj. Gen. Khadka also emphasized the need for politicians to travel to districts to meet with constituents. He commented that Maoists had been organizing rallies and other events, but none had been held by the political parties. Business leaders in Darchula, Mahendranagar and Nepalgunj all lamented the lack of GON support, and many commented on the GON's Kathmandu-centric focus.

Improved Development Access

¶10. (SBU) GON officials, OHCHR, and international and Nepali NGOs in Gulariya (in Bardiya District), Mahendranagar and Nepalgunj reported a marked improvement in development access since the beginning of the ceasefire. In most circumstances, development personnel, including district line ministry staff and national human rights monitors, have been able to operate more freely and often with less harassment from Maoists since April. They reported improved access to rural areas and greater acceptance of development activities by Maoists. This improvement is in contrast to a very challenging pre-ceasefire operating environment.

¶11. (SBU) In Mahendranagar, NGOs Save the Children, CARE, the Asia Foundation and the Tharu Women's Forum reported that they had been able to take an active role in raising awareness about key democracy and human rights issues. Save the Children, through the Tharu Women's Forum, had distributed Code of Conduct awareness materials and continued to inform communities of their rights. (Note: Human rights activists and individual citizens reported that the pamphlets about the Ceasefire Code of Conduct were a helpful tool when encountering Maoists. End note.) Some of these NGOs reported having also met frequently with political party leaders to discuss the constitutional assembly process and the need for greater social inclusion.

Need for Development Assistance

¶12. (C) Several CDOs and Maj. Gen. Khadka emphasized the need for increased development assistance in their districts. They commented that Maoists had exploited social and economic vulnerabilities, and therefore increased government attention to social inclusion, economic growth, and service delivery was required to counter Maoist influence. One CDO stressed the importance of GON assistance to flood victims, while Major General Khadka and other CDOs highlighted the need for roads, hydropower, and agricultural services.

¶13. (SBU) Because of Mahendranagar's proximity to New Delhi, business leaders felt that tourism and trade were both sectors with potential to grow in an insurgency-free environment. Both the Chamber of Commerce and the political parties in Mahendranagar stressed a need for higher education in the Far West, and made requests for the Ambassador's and USG's assistance in starting a university in their city. Nepalgunj appeared even poorer than Mahendranagar, and business leaders there specifically expressed concern about a lack of services from the GON.

Flood Victims Receive U.S. Assistance

¶14. (SBU) An estimated 58,180 people in 15 districts have been affected by flooding in recent weeks, with Banke, Bardiya and Achham Districts hardest hit. Through an on-going disaster preparedness program, USAID's Office of Foreign Disaster Assistance has provided non-food relief to approximately 7,700 flood victims. Relief packages include plastic tarpaulin, blankets, kitchen utensils, and health and hygiene kits. At a distribution site in Bardiya, Ambassador Moriarty met with flood victims and monitored the delivery of assistance.

Comment

¶15. (C) Since the current ceasefire began on April 27, Maoist activities in the Far West contrast with developments within the Kathmandu Valley. Nepalis in parts of the Far West appeared less worried, largely because of a decrease in killings and violence by the Maoists. Prior to the ceasefire, they had been living with constant Maoist pressure and fighting. Nepalgunj, for example, experienced almost daily bomb blasts. In contrast, residents of the Kathmandu Valley, most of whom had not previously experienced the insurgency directly, have seen a rise in Maoist numbers, pressure and extortion, and have begun to fear the Maoists are poised to take over. That said, each of the places the Ambassador visited has been experiencing a slightly different insurgency. Political parties and business leaders throughout the region indicated that, for the most part, Maoists are cooperating on matters of law and order - when it suits them. However they are not living up to the agreements made with the Government of Nepal (GON), including the Ceasefire Code of Conduct. Maoists continued to solicit "voluntary" donations, and had set up parallel governments, including people's courts. During the Ambassador's visit, there were chakkajams (transportation strikes) in Mahendranagar, and Maoists shut down the main east-west Mahendra Highway between Nepalgunj and Mahendranagar protesting an alleged shipment of arms from India (reftel). Meetings and site visits with USAID project partners highlighted the effective cooperation between multiple NGOs and INGOs to deliver effective assistance and support to those in need.

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